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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION

-and-

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

**All papers shall be filed in the Lead Case,
No. 19-30088 (DM)*

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

DECLARATION OF CATHY YANNI
IN SUPPORT OF THE ORDER
(A) ESTABLISHING A QUALIFIED
SETTLEMENT FUND FOR THE
WILDFIRE ASSISTANCE
PROGRAM AND
(B) AUTHORIZING QSF
ADMINISTRATOR

Related Docket Nos.: 2233 and 2409

1 CATHY YANNI declares as follows under penalty of perjury:

2 1. I am an attorney at law licensed to practice law in the state of California. I am in
3 good standing. I have been a member of JAMS since January of 1998.

4 2. I have personal knowledge of the facts stated herein except as to matters where I
5 indicate otherwise, and as to those matters, I believe them to be true. If called upon to testify, I
6 could and would competently do so. I make this declaration in support of the proposed order
7 (a) establishing a Qualified Settlement Fund for the Wildfire Assistance Program and
8 (b) authorizing a QSF administrator for the account. I request entry of that order to facilitate the
9 administration of the Wildfire Assistance Fund and enable me to distribute funds to individuals
10 who qualify for assistance.

11 3. The Order appointing me as the Administrator of the Wildfire Assistance Fund
12 authorized me to retain certain Program Professionals to support the work of the fund, including a
13 claims management firm. I evaluated the tasks and functions required of me as Administrator and
14 determined that it was necessary to retain a claims management firm to aid in the distribution of
15 the Wildfire Assistance Fund to eligible Wildfire Claimants.

16 4. In the twenty years I have been at JAMS I have been a Court Appointed Special
17 Master in numerous cases and have worked with multiple claims management firms. I have worked
18 with BrownGreer for over ten years. For example, I am the Special Master in the ASR Hip Case
19 MDL (*In re DePuy Orthopaedics, Inc., ASR Hip Implant Products*, MDL Docket No. 2197 (N.D.
20 Ohio)) and *In re Abilify (Aripiprazole) Products Liability Litigation*, MDL No. 2734 (N.D. Florida),
21 in which BrownGreer is the Claims Processor. In *DePuy Orthopaedics* program alone, we have
22 evaluated more than ten thousand cases and distributed over 3 billion dollars in settlement funds to
23 eligible claimants.

24 5. Upon information and belief, BrownGreer has specialized in settlement
25 administration since it was founded in 2002. They are experienced in the legal and
26 administrative aspects of the design, approval, and implementation of settlement programs, as
27 well as the operation of claims facilities to provide damages payments or other benefits for the
28 resolution of multiple claims through bankruptcy reorganization, class action settlement and

1 voluntary agreement. As part of their work, BrownGreer regularly handles complex and
2 confidential case-specific information in class action or mass tort contexts (for example,
3 Federal MDLs or California JCCPs). BrownGreer is often appointed by a supervising court to
4 perform the functions described above. BrownGreer and its principals have performed crucial
5 administration, information management, or claim evaluation roles in more than 75 major programs
6 involving approximately 31 million class members and the disposition of over \$33 billion in
7 payments to qualifying claimants. A few examples of these engagements include:

8 a. *In re Oil Spill by the Oil Rig "Deepwater Horizon" in the Gulf of Mexico,*
9 *on April 20, 2010*, MDL Docket No. 2179 (E.D. La.), in which BrownGreer served the Claims
10 Administrator in processing hundreds of thousands of claims resulting in payments of more than
11 \$11.6 billion.

12 b. *In re DePuy Orthopaedics, Inc., ASR Hip Implant Products*, MDL Docket
13 No. 2197 (N.D. Ohio), a voluntary settlement program for claims relating to metal-on-metal hip
14 implant devices, in which BrownGreer has reviewed over 10,000 claims and distributed over \$3
15 billion. I serve as the Special Master for the settlement program.

16 c. *In re Abilify (Aripiprazole) Products Liability Litigation*, MDL No. 2734
17 (N.D. Florida), litigation involving anti-psychotic medication in which I served as Special Master
18 for Settlement and BrownGreer assisted me throughout the litigation.

19 6. Based on my experience, I selected BrownGreer as my claims administrator after
20 having considered several other claims administration firms and because I believe they are best
21 equipped to support my work as Administrator. I independently selected BrownGreer prior to
22 having any discussions with the Debtors, the TCC, the UCC, or any of the law firms representing
23 Fire Claimants about such selection.

24 7. The federal tax rules concerning QSFs are found in Internal Revenue Code §468B
25 and its accompanying regulations. The Treasury Department further defined these settlement funds
26 by promulgating Treasury Regulation section 1.468B-1 *et seq.* Under these Regulations, there are
27 three requirements for a settlement fund, account or trust to be treated as a QSF:
28

- (1) It is established pursuant to an order of, or be approved by, the United States, any state (including the District of Columbia), territory, possession, or political subdivision thereof, or any agency or instrumentality (including a court of law) of any of the foregoing and is subject to the continuing jurisdiction of that governmental authority;
- (2) It is established to resolve or satisfy one or more contested or uncontested claims that have resulted or may result from an event (or related series of events) that has occurred and that has given rise to at least one claim asserting liability...[a]rising out of a tort, breach of contract, or violation of law...; and
- (3) The fund, account, or trust is a trust under applicable state law, or its assets are otherwise segregated from other assets of the transferor (and related parties). (Treas. Reg. §1.468B-1(c)).

8. Establishment of the Wildfire Assistance Program QSF would satisfy all three elements of a valid and permissible QSF. The Wildfire Assistance Program QSF would be established under this Court's order to resolve one or more outstanding claims, and the assets would be held by a third-party administrator (the "QSF Administrator"), rather than by the debtors or the bankruptcy estate.

9. The appointment order states that "The Debtors are authorized to deposit \$105 million into a segregated account (the "Wildfire Assistance Fund") to be controlled by the Administrator who shall be responsible for disbursing and administering the Wildfire Assistance Fund in accordance with the Program Terms.

10. I request creation the Wildfire Assistance Program QSF to serve as the segregated account that will receive the Wildfire Assistance Fund. In my capacity as Administrator, I must ensure that the funds are deposited in an appropriate account, with all necessary protections from investment vulnerabilities, and that the distributions from that account are carefully controlled. It is in the best interest of all parties that the Court establish the Wildfire Assistance Program QSF as the vehicle for receiving the funds in question.

11. As the Wildfire Assistance Program Administrator, I have ultimate authority over the QSF and BrownGreer will work at my direction. I request that I be named as QSF Administrator.

1 12. I declare under penalty of perjury under the laws of the United States of America
2 that the foregoing is true and correct.

3 Executed this 14th day of July, 2019,
4 at Cleveland, Ohio.

5 
CATHY YANNI